m/023/053

BRUSHRESOURCES

A Brush Engineered Materials Inc. Company

Brush Resources Inc P.O. Box 815 Delta, UT 84624 Tel: 435-864-2701

Fax: 435-864-4004

February 3, 2005

Daron R. Haddock Division of Oil, Gas & Mining State of Utah P. O. Box 145801 Salt Lake City, UT 84114

Dear Mr Haddock,

On May 3, 2004 your office performed a site inspection of reclamation on the 18 acres of disturbance that was completed on the Hogs Back project, M/023/053. Partial release of the existing \$47,600 surety was granted by the Division, and bond amount was reduced to \$7,700. Final release of the site is to be granted when site has survived three growing seasons and attained 70% revegetation success.

A rider has been obtained to bond 2S101098411 changing bond level from \$47,600 to \$7,700. Please sign and return the duplicate copy that this rider has been accepted. You should have received a *corrected* letter from Travelers Casualty and Surety, dated January 28, 2005, stating the bond cancellation notice of February 21, 2005 is rescinded and designating Brush Resources, Inc. as the policy holder. A Transfer of Notice of Intention was accepted by the Division on July 31, 2001, changing the operator name from Brush Wellman Inc. to Brush Resources, Inc. There has been no change in the company name since the Notice of Intention was approved.

Thank you for granting the partial release of the disturbed site and reducing the bond level. We appreciate working with your Department and will look forward to having the bond rider finalized.

Sincerely,

Alex C. Boulton

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FEB 07 2005

DIV. OF OIL, GAS & MINING